

Message Text

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PAGE 01 LONDON 20029 101915Z

12

ACTION EUR-12

INFO OCT-01 ISO-00 NEA-10 CIAE-00 DODE-00 PM-04 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15

USIA-15 MC-02 ACDA-10 TRSE-00 /091 W

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R 101803Z DEC 76

FM AMEMBASSY LONDON

TO AMEMBASSY TEHRAN

INFO SECSTATE WASHDC 8641

UNCLAS LONDON 20029

E. O. 11652:NA

TAGS: IR, UK, MASS, ENRG

SUBJECT: IRAN-UK DEFENSE CONTRACTS

REF: LONDON 19896

1. SHOULD BE NOTED FINANCIAL TIMES ARTICLE IN REFTEL WAS DATED IN TEHRAN. ARTICLE STATED RON ELLIS, CHIEF OF UKMOD OVERSEAS SALES, WOULD ARRIVE IN TEHRAN DECEMBER 12 TO NEGOTIATE PAYMENTS PROBLEM, AND THAT TEAM FROM MILLBANK TECHNICAL SERVICES (UK CROWN AGENTS SUBSIDIARY) ALREADY IN TEHRAN.

2. ARTICLE ON SAME SUBJECT IN DECEMBER 6 GUARDIAN STATED MILLBANK TECHNICAL SERVICES TEAM LED BY ITS CHIEF EXECUTIVE MIKE COTTON WAS FLYING TO TEHRAN DECEMBER 6 TO DEAL WITH PROBLEM OF EXCESSIVE COSTS OF ISFAHAN MILITARY SERVICING COMPLEX. GUARDIAN STATED WHITEHALL OFFICIALS DISMAYED BY CLAIMS BY IRANIAN GOVERNMENT, IN FORM OF LETTER FROM IRANIAN EMBASSY HERE, THAT 500 MILLION POUND OIL-FOR-ARMS CONTRACT NOW BEING NEGOTIATED HAD BEEN PUT AT RISK BY EXCESSIVE COST ESTIMATES OF MILLBANK. GUARDIAN STATED IRANIAN EMBASSY LETTER ALSO ACCUSES MILLBANK OF FAILING TO SIGN A FIXED-PRICE FINAL AGREEMENT AND SAYS FINAL PRICE ESTIMATED BY MILLBANK COULD BE MORE THAN DOUBLE 500 POUND ESTIMATE. ARTICLE STATED WHITEHALL OFFICIALS REFUTE IRANIAN ALLEGATIONS AND CLAIM IRANIANS

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CONSTANTLY ALTERED SPECIFICATION OF THE PROJECT.

ARMSTRONG

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NNN

Message Attributes

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Capture Date: 01 JAN 1994
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Draft Date: 10 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
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Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
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Margaret P. Grafeld
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